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SUBJECT: VENEZUELA'S GROWING MILITARY PROWESS AND CLAIMS
AGAINST GUYANA WORRY FORMER BRAZILIAN PRESIDENT SARNEY

REF: 06 BRASILIA 2411

¶1. (SBU) Summary. Ambassador Sobel gave a dinner on February 13 for veteran political figures that drew out opinions on political reform, relations with the U.S., party behavior, and grave concerns about a perceived growing menace from Venezuela. Guests included a former president; the president of the Senate and past justice minister; the communications minister; a past president of the Supreme Court, past justice minister and probable next leader of Brazil's largest political party; the chairman of the Senate committee on the Constitution, Citizenship and Justice; and a prominent Green Party politician. Former president Jose Sarney spoke at length about Brazil's security posture in the region and his preoccupation over the threat of instability along the northern border from irredentist Venezuelan claims against Guyana. Sarney dismissed any cross-border threat from Bolivia. Several participants urged the USG to increase youth, educational, and international visitor exchanges with Brazil. They underscored the importance of personal contacts in fortifying the bilateral relationship. End summary.

Political reform

¶2. (SBU) Ambassador Sobel asked about the outlook for reform in Brazil during the current congress (2007-2011). Senate president Renan Calheiros implied the system needed to be reformed by noting that Brazil's system of uninominal elections is now almost unique in the world. Deputy Sarney Filho criticized the system for its undesirable effect of making candidates from the same party adversaries at election time, since they have to run not only against other parties' candidates, but against their own party colleagues to try to get a large enough percentage of the vote to be elected.

¶3. (SBU) Ambassador asked Calheiros what major reforms could also be accomplished now. Calheiros replied that earlier that day (February 13) the Senate had approved legislation to improve business conditions and the environment, and the government had presented a reform program. This was a first step, he said. He said that an ongoing problem is that a

project in one house of congress may not find receptivity in the other house. Reform is needed, he said, "to guarantee the country." He added that he hopes to see the passage of new laws on regulatory agencies and the use of provisional measures (MPs). His mention of MPs generated an animated discussion around the table about what was wrong with provisional measures and why they should be abolished. (Note: A provisional measure is issued by the president, has the force of law, but Congress can immediately strike it down. If an MP is not approved or rejected within 45 days, Congress is forced to vote on the MP and nothing else can be considered. For this reason, MPs can cause legislative gridlock until Congress acts, while in the meantime the MP has force of law. If no action is taken within four months the MP expires, but the president can reissue it in the next legislative session. End note.) Calheiros also said there is much work to do on the budget, as well as on the consolidation of laws. He repeated the familiar complaint that some laws are passed, but do not "take" (nao pegam). Continuing to point out how much work the Congress has before it, Calheiros said over 200 supplemental laws are waiting to be voted on by Congress.

14. (SBU) Ambassador Sobel offered to try to bring past chairmen of our political parties to consult on political reform, provided the Brazilians could develop an agenda to put their talents to work. Sen. Sarney replied that he would be willing to help organize such a visit. The Ambassador also said he was interested in the Senate and Chamber of Deputies television stations, and offered to bring U.S. leaders to discuss how best to use them. The Ambassador said he would also like to invite U.S. Supreme Court justices to

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Brazil. Guests agreed this would be very useful. Nelson Jobim also said Brazilians need contacts in the U.S. Congress.

More Exchanges, Please

15. (SBU) Senator Jose Sarney, a former president of Brazil (1985-90), said that in spite of much public comment that the bilateral relationship is good, the missing element is personal contact. He said ongoing personal contact between Brazilians and Americans has been lost. He, Senator Magalhaes and Minister Costa praised USG exchange programs. Costa thought they no longer existed. Ambassador said we still have an active exchange program and invited them to advise him of deserving candidates. Sarney spoke highly of youth exchanges and recounted that he had sent his children and grandchildren on them to the U.S. and hosted a participant from the U.S. Sarney Filho echoed the point and said his son is studying at Purdue University. He said university exchanges are important. There are many, many Asians studying at U.S. schools, he said, and asked why there are not more Brazilians. Ambassador mentioned that while there are 100,000 Indians studying in the U.S. there are only 6,000 Brazilians. Ambassador noted he had discussed the subject with Education Minister Fernando Haddad. Sarney, Magalhaes and Costa recalled that they had participated in a USG exchange for young leaders and it had had a great impact on them.

More Engagement, Please

16. (SBU) Ambassador Sobel asked where the USG could be of greatest help in terms of political reform. Senator Magalhaes said Brazil needs more engagement (entrosamento) on the part of the USG. He added that this would go a long way to avoiding unnecessary antipathy toward the U.S.

Venezuelan Danger

17. (SBU) Senator Sarney made a lengthy exposition on Brazilian history, including Brazil's historical admiration for the United States, the U.S. influence on figures such as

Tiradentes and Ruy Barbosa, Brazil's preference for peace and democracy, and, in his view, Brazil's resultant aversion to hegemony in its foreign policy. Ambassador said he gives Brazil much credit for its patience in the face of worrisome developments in Venezuela and Bolivia. Sarney responded that Brazil does not want to interfere in others' affairs. Interference has a price to pay and Brazil does not want to pay that price, he explained. Sarney continued by recalling that military regimes have historically liquidated many political classes, in some cases leaving only those who had managed to live clandestinely. As a result, in Latin America, when the era of military dictatorships ended, the remaining political actors were mainly on the left. In Brazil, he said, the country has the good fortune to have as its president now a worker from Sao Paulo, a major urban center. Compare this, he said, with Bolivia, which has as its president a miner. Sarney then turned to Venezuela. He predicted that in the long run the current leaders will be gotten rid of and Venezuela will "go back to normal." But in the meantime Venezuela is becoming a destabilizing military power. He said he was especially concerned about Venezuela's irrendentist claims on Guyana's Essequibo region. He said two thirds of Guyana is rich in diamonds and Chavez will cause trouble over an area of 170,000 square kilometers. Essequibo is hard for a bellicose soldier to resist, said Sarney, who predicted that conflict over the region was inevitable. In that event, a burden will fall on Brazil's shoulders, he said.

Venezuela, not Bolivia, Is the Threat

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18. (SBU) Ambassador asked about Brazil's border with Bolivia. Sarney said Bolivia would never present a danger to Brazilian sovereignty. Returning immediately to Venezuela, Sarney said the scenario he described with Guyana is a realistic possibility. Ambassador asked what it would take to get Brazil more engaged in Venezuela. Sarney responded that Brazil must be careful and cannot spend the amount of money Venezuela does on foreign programs. Chile has a respectable military because it had prepared itself for war with Argentina, while Brazil has not faced war for a hundred years, he opined. (Note: Sarney must have meant a land war on Brazil's borders, since he omitted its participation in WWII, when its Expeditionary Force of 25,000 troops saw action in Europe. End note.) Brazil has no outstanding border issues, he continued. "The military issue is the only one we have with Venezuela." He mentioned having been shown shortly after the fall of the Berlin Wall a document he described as a U.S. military paper that forecast only two possible major conflicts in the future in the Western Hemisphere: one in Central America, and another related to indigenous peoples in Brazil. Brazil had to direct its military toward the north along the Amazon because of threats from that direction, such as Sendero Luminoso, according to Sarney. If Venezuela becomes a military state it will create an imbalance and Brazil will have to safeguard its sovereignty, Sarney said. But Brazil does not have the resources, and will have to rely on the NATO umbrella, he concluded.

Jobim: Parties Fail to Set the Agenda

19. (SBU) The Ambassador spoke in favor of reaching a bilateral investment treaty with Brazil. Calheiros said the government would take steps to simplify conditions for small and medium enterprises. Nelson Jobim, apparently replying more to Calheiros than the Ambassador, criticized the way parties relate to the government. He said parties should establish policy lines and make their participation in government conditional on them, while as things are now, parties only demand posts but attach no policy baggage. He said his own party, the Brazilian Democratic Movement Party (PMDB), does this. Parties should establish the agenda for dialogue for the government, while now the government defines

the agenda for dialogue with the Congress, in Jobim's view. Finally, he asked rhetorically when the PMDB had ever raised the matter of bilateral investment treaties. Costa, also from the PMDB, replied that the Senate Foreign Relations and National Defense Committee still has many pending bills to review.

¶10. (U) Participants:

U.S.

Ambassador Clifford Sobel

Dale Prince, Political Officer (notetaker)

Brazil

Jose Sarney, Senator and former President

Helio Costa, Minister of Communications

Renan Calheiros, Senator, President of the Senate, and former Minister of Justice

Jose Sarney Filho, Federal Deputy, Green Party

Carlos Alberto Vieira, President of Safra Bank

Antonio Carlos Magalhaes, Senator and Chairman of the Constitution, Citizenship and Justice Committee

Nelson Jobim, former Supreme Court President and former Minister of Justice

Rodrigo Gabsch, diplomatic adviser to Senator Sarney

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